

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 154 of 1984

For Approval and Signature:

Hon'ble MR.JUSTICE B.C.PATEL and
MR.JUSTICE R.R.JAIN

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1. Whether Reporters of Local Papers may be allowed to see the judgements?
 2. To be referred to the Reporter or not?
 3. Whether Their Lordships wish to see the fair copy of the judgement?
 4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 or any Order made thereunder?
 5. Whether it is to be circulated to the Civil Judge?
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COMMISSIONER OF INCOME TAX

Versus

BHARAT VIJAY MILLS LTD.

Appearance:

MR BJ SHELAT for M/s MANISH R BHATT & Co., Advocates for Applicant.

SERVED for Respondent No. 1

CORAM : MR.JUSTICE B.C.PATEL and
MR.JUSTICE R.R.JAIN
Date of decision: 01/08/96

ORAL JUDGEMENT

The Income Tax Appellate Tribunal has referred the following question for the opinion of this Court :-

"Whether on the facts and in the circumstances of the case, the amount of Rs. 55,322/- being deferred annuity premium paid in respect of two Managing Directors of the Company is rightly held to be a revenue expenditure and allowable as

such?"

2. In the case of Gujarat Steel Tubes Ltd. Vs. Commissioner of Income-tax, reported in 210 ITR 358 similar question has been answered by the Court wherein the Court has held that the amount expended for purchase of the deferred annuity policy is revenue expenditure for which deduction can not be granted under Sec. 37 of the Income Tax Act.

3. Hence, we answer this question in favour of the revenue and against the assessee.

4. Answer accordingly with no order as to costs.
